GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

UNSTARRED QUESTION NO:3127
ANSWERED ON:17.12.2015
Setting up of Ports
Roy Prof. Saugata

Will the Minister of SHIPPING be pleased to state:

(a) whether the Government has sanctioned Viability Gap Funds (VGF) for setting up of ports in the country;
(b) if so, the details thereof, State and UT-wise;
(c) the criteria for sanctioning VGF to ports in this in this regard; and
(d) the details of ports under construction in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING
(SHRI PON. RADHAKRISHNAN)

(a)&(b):Yes, Madam. Ministry of Finance has recently given 'in-principle' approval for Viability Gap Funding (VGF) on the proposal of Government of Kerala for development of a port at Vizhinjam on DBFOT basis. The ground breaking ceremony was held on 5.12.2015.
(c) As per the guidelines issued by Department of Economic Affairs, Ministry of Finance, for "Financial support to Public Private Partnerships in infrastructure under VGF Scheme", the criteria for sanctioning VGF is given below:-

(i) The project shall be implemented i.e. developed, financed, constructed, maintained and operated for the project Term by a private Sector Company to be selected by the Government or a statutory entity through a process of open competitive bidding.
(ii) The project should provide a service against payment of a pre-determined tariff or user charge.
(iii) The concerned Government/statutory entity should certify, with reasons.

? that the tariff/user charge cannot be increased to eliminate or reduce the viability gap of the PPP;
? that the Project Term cannot be increased for reducing the viability gap; and
? that the capital costs are reasonable and based on the standards and specifications normally applicable to such projects and that the capital costs cannot be further restricted for reducing the viability gap.

(d) No new Major Port is under construction at the moment. The Government of Kerala has recently held 'ground breaking' of Vijinjham port (a non-major port) at Vijinjham (Kerala)
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